

DEBT FUNDING

Agreement signed at Washington June 3, 1932, modifying agreement of November 14, 1925

Operative from July 1, 1931

Revised (after World War II) February 6, 1948,¹ pursuant to article 44 of treaty of peace signed at Paris February 10, 1947²

Treasury Department print

AGREEMENT,

Made the 3rd day of June, 1932, at the City of Washington, District of Columbia, between the GOVERNMENT OF THE KINGDOM OF ITALY, hereinafter called ITALY, party of the first part, and the GOVERNMENT OF THE UNITED STATES OF AMERICA, hereinafter called the UNITED STATES, party of the second part.

WHEREAS, under the terms of the debt funding agreement between Italy and the United States, dated November 14, 1925,³ there is payable by Italy to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of bonded indebtedness of Italy to the United States, the aggregate amount of \$14,706,125, including principal and interest; and

WHEREAS, a Joint Resolution of the Congress of the United States, approved December 23, 1931,⁴ authorizes the Secretary of the Treasury, with the approval of the President, to make on behalf of the United States an agreement with Italy on the terms hereinafter set forth, to postpone the payment of the amount payable by Italy to the United States during such year in respect of its bonded indebtedness to the United States; and

WHEREAS, the Government of Italy hereby gives assurance, to the satisfaction of the President of the United States, of the willingness and readiness of Italy to make with the Government of each country indebted to Italy in respect of war, relief, or reparation debts an agreement in respect of the payment of the amount or amounts payable to Italy with respect to such debt

¹ *Department of State Bulletin*, Feb. 22, 1948, p. 248.

² TS 1648, *ante*, vol. 4, p. 325.

³ *Ante*, p. 145.

⁴ 47 Stat. 3.

or debts during such fiscal year, substantially similar to this Agreement authorized by the Joint Resolution above mentioned;

Now, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Payment of the amount of \$14,706,125, payable by Italy to the United States during the fiscal year beginning July 1, 1931 and ending June 30, 1932, in respect of the bonded indebtedness of Italy to the United States, according to the terms of the agreement of November 14, 1925, above mentioned, is hereby postponed so that such amount together with interest thereon at the rate of 4 per centum per annum from July 1, 1933, shall be paid by Italy to the United States in ten equal annuities of \$1,792,311.76 each, payable in equal semiannual installments on December 15 and June 15 of each fiscal year beginning with the fiscal year July 1, 1933 and ending June 30, 1934, and concluding with the fiscal year beginning July 1, 1942 and ending June 30, 1943. The bond No. 7, dated June 15, 1925, maturing June 15, 1932, in the principal amount of \$12,200,000, and delivered by Italy to the United States under the agreement of November 14, 1925, shall be retained by the United States until the annuities due under this Agreement shall have been paid.

2. Except so far as otherwise expressly provided in this Agreement, payments of annuities under this Agreement shall be subject to the same terms and conditions as payments under the agreement of November 14, 1925, above mentioned. The proviso in paragraph 2 of such agreement, authorizing the postponement of payments on account of principal, and the option of Italy provided for in paragraph 4, to pay in obligations of the United States, shall not apply to annuities payable under this Agreement.

3. The agreement of November 14, 1925, between Italy and the United States, above mentioned, shall remain in all respects in full force and effect except so far as expressly modified by this Agreement.

4. Italy and the United States, each for itself, represents and agrees that the execution and delivery of this Agreement have in all respects been duly authorized and that all acts, conditions and legal formalities which should have been completed prior to the making of this Agreement have been completed as required by the laws of Italy and the United States, respectively, and in conformity therewith.

5. This Agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

IN WITNESS WHEREOF, Italy has caused this Agreement to be executed on its behalf by the Royal Italian Ambassador Extraordinary and Plenipotentiary at Washington, thereunto duly authorized, and the United States has likewise caused this Agreement to be executed on its behalf by the Secretary of the Treasury, with the approval of the President, pursuant to a Joint

Resolution of Congress, approved December 23, 1931, all on the day and year first above written.

The Kingdom of Italy

By

GIACOMO DE MARTINO
*Ambassador Extraordinary
and Plenipotentiary*

THE UNITED STATES OF AMERICA

By

OGDEN L. MILLS
Secretary of the Treasury

Approved:

HERBERT HOOVER,
President